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SIPDIS
ISLAMABAD FOR SHENOA SIMPSON

E.O. 12958: DECL: 06/18/2018
TAGS: [ETTC](#) [KOMC](#) [PK](#)

SUBJECT: DEMARCHE REQUEST: POSSIBLE PAKISTAN DIVERSIONS OF
U.S. TECHNOLOGY TO CHINA AND UKRAINE

REF: NONE

Classified By: PM/DTCC Director David Trimble, Reasons 1.4(B)(D)

11. (U) This is an action request for Embassy Islamabad.
Please see paragraph 6.

BACKGROUND

12. (S//NF) We have recently obtained sensitive information indicating that Pakistan may have engaged in activities involving the unauthorized retransfer of U.S.-origin technology to China and Ukraine. Our information indicates that Pakistan is about to exercise a contract with the Ukrainian firm Progress to overhaul and refurbish its Tube-launched Optically-tracked Wire-guided (TOW) anti-tank guided missiles (ATGMs).

13. (S//NF) In a separate deal, Pakistan was weighing a proposal from the Chinese firm Polytechnologies Incorporated (PTI) to upgrade the GOP's MK-82 and MK-83 precision-guided bombs. In addition, open sources indicate that Pakistan is manufacturing MK-80 iron series bombs indigenously and may be seeking export clients. According to DOD/DSCA, Pakistan received 2,000 U.S.-origin 500 lb. MK-82 iron bombs in 1977 via an FMS contract. This contract did not contain any technical data or intellectual property to facilitate the manufacture of MK-80 series bombs domestically, nor did the 1977 FMS deal authorize co-production of the MK-80 based on U.S. technology. There is no record of the GOP seeking subsequent USG authorization at a later date for these activities.

14. (S//NF) The GOP may be on the verge of committing three distinct violations requiring reporting to Congress. First, it appears that Pakistan's domestic production of MK-80 series iron bombs may represent an unauthorized change in end-use of U.S.-provided technology. Second, allowing Chinese national's access to U.S. technology in the course of PTI's work on MK-80 series bombs may be a violation of Pakistan's retransfer commitments. Third, the unauthorized transfer of U.S.-provided TOW-ATGM's to Ukraine's Progress may represent another retransfer violation.

15. (S//NF) Post is instructed to ask GOP to investigate these transactions and halt any unauthorized retransfers. Pursuant to Section 3 of the Arms Export Control Act, the Department is required to notify Congress when it receives information that an unauthorized transfer has occurred or, where there is sufficient concern, may have occurred. There is a similar reporting requirement applicable to unauthorized changes in end use that may have occurred.

ACTION REQUESTED/TALKING POINTS

¶6. (S/REL TO PAKISTAN) ACTION REQUEST FOR EMBASSY ISLAMABAD:
Post should engage the Government of Pakistan (GOP) on the possible transfer of MK-80 technology to China and the possible transfer of U.S.-origin Tube-launched Optically-tracked Wire-guided (TOW) Anti-Tank Guided Missiles (ATGMs) to Ukraine with the objectives below.

-- We have information that as of March 2008, Pakistan was seeking to implement a 2007 contract it signed with the Ukrainian state-owned arms firm Progress to overhaul and refurbish Pakistan's US-origin TOW-ATGMs.

-- Has Pakistan implemented this contract with Progress? If so, was any U.S.-provided technology transferred during any stage of the work?

-- We also understand that in October 2007, the Chinese firm Polytechnologies Incorporated (PTI) proposed a cooperative project with Pakistan's Air Weapons Complex (AWC) to upgrade Pakistani-produced MK-82P AND MK-83P precision-guided bombs with range extension guidance control systems. Our further information indicates that PTI received a positive response to the offer from AWC.

-- Did the GOP sign a contract with PTI? Did the GOP transfer any technical data to PTI during preliminary MK-80 upgrade talks (i.e. RFP and LOA discussions, etc)?

-- Our understanding is that the Pakistani-produced MK-82P and MK-83P are based on US-origin MK-80 series air-dropped free-fall munitions technology. Can you confirm that Pakistan is working to produce domestic variants (i.e. the MK-82P and MK-83P) of the U.S.-provided MK-80 series iron bombs for export? If the MK-82P and MK-83P is based on U.S. technology, under what authorization (i.e. a commercial Technical Assistance Agreement (TAA) or Foreign Military Sales (FMS) contract) is Pakistan conducting such work? Did Pakistan obtain MK-80 bomb technology from some other country?

-- If these activities occurred, please describe the MK-80 and TOW-ATGM technologies that Chinese and Ukrainian nationals had access to.

-- What is the quantity of MK-80 bombs and TOW-ATGMs that have been upgraded (or are proposed to be involved)?

-- Transfer of technology furnished by the U.S. pursuant to the Arms Export Control Act (AECA) or the Foreign Assistance Act of 1961 (FAA) to a third party, including provision of access to such technology to a third party, requires USG permission pursuant to obligations undertaken by the Government of Pakistan prior to the provision of such technology.

-- A change in end use of U.S.-provided technology, such as incorporating U.S.-provided technology in the domestic manufacture of MK-80 series iron bombs for the purpose of export, may require authorization under the FAA or AECA.

-- If you proceed with the transfers, the USG might consider this a violation of Pakistan's retransfer obligations. Such violations might be reportable to the U.S. Congress pursuant to Section 3 of the AECA. A change in end-use might similarly require a report to Congress.

-- We urge you to investigate these transactions and halt any transfers from taking place and refrain from changing the end-use of U.S.-furnished technology without appropriate U.S. authorization.

END TALKING POINTS

¶7. (U) Please slug reply for PM/DTCC Tim Watkins, PM/RSAT Jasmeet Ahuja, and SCA/RA Michael Urena.
RICE

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End Cable Text